

Columbia-Snake River Irrigators Association Information Memorandum

DATE: December 11, 2017
TO: Interested Parties
SUBJECT: The Economic Impacts of ESA Columbia River BiOp Litigation

The Endangered Species Act (ESA), Biological Opinion litigation for the Columbia-Snake River system has waged for about 25 years (see attached Figure). The economic impact to electric power rate payers and other economic sectors is summarized below.

- ✓ The Bonneville Power Administration's (BPA) Fish and Wildlife Program primarily funds the Biological Opinions (BiOp) created by the ESA actions and protracted litigation. Since 1992, BPA has spent about **\$17 billion** on the Program, most funding directed toward ESA actions. Other hydro utilities have spent **additional tens-of-millions-of dollars**.
- ✓ The BPA Fish & Wildlife Program costs now amount to about one-third of the power costs within the agency's wholesale rate to regional utilities. This amounts to about **\$700 million--\$1 billion** annually, depending on water conditions and replacement power costs.
- ✓ The BiOp actions forced a "no net loss" water policy on states like Washington, where no new water rights have been issued for irrigation purposes, from the Columbia-Snake River system—even though new water withdrawals would be imperceptible. This amounts to **tens-of-millions of dollars**, of foregone capital investment and regional household income.
- ✓ U. S. District (Oregon) Judge Michael Simon has issued a new remand order for the 2014 BiOp, based on legal pressure from Earth Justice, et al., and the state of Oregon. That order, alone, requires the federal agencies to prepare another Environmental Impact Statement (EIS) estimated to cost BPA **\$81 million**.
- ✓ The Judges order for an immediate (additional), hydro project water spill injunction will cost the region's rate payers another **\$40 million** annually.
- ✓ If the new EIS and BiOp litigation process leads to breaching/drawdowns for the Lower Snake River dams and other Columbia River Project pools, the capital cost range would likely be **\$1-2 billion**, with annual power impacts exceeding **\$200 million** annually. Other water management related impact would likely occur.
- ✓ Under a new BiOp, the BPA would be directed to spend additional funds for undetermined "habitat projects," as directed by Tribal/fish agencies. This will amount to **hundreds-of-millions of dollars**, above existing commitments.

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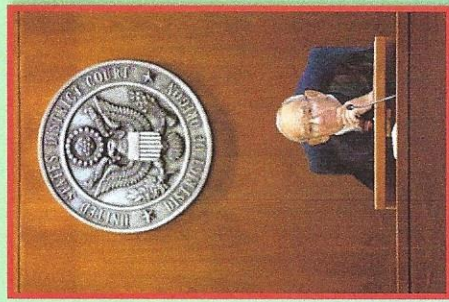
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Ending Columbia-Snake River ESA Litigation

The Path Toward God Squad

BPA Billion\$
\$22B

U.S. OR Dist. Judge
James Redden



U.S. OR Dist. Judge
Michael Simon

\$17B

- ✓ 2017-Injunction
- 2018-New BiOp?
- 2020-EIS?

\$10B

- ✓ 2015-Killing Fish—
Agencies Out-of-Control.

- ✓ BPA Funding
\$750M--\$1B/Year.

\$1B

- ✓ Five BiOp Remands: Hyro Project Spill;
No New Water Rights; No Water Rights.

1992

2008

2016

2018

2020